

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT  
NASHVILLE, TENNESSEE**

**March 21, 2005**

**IN RE:**

**PETITION OF AMERICATEL CORPORATION D/B/A 123  
AMERICATEL TO COMPLETE A TRANSFER OF  
CONTROL OF AN AUTHORIZED CARRIER**

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**DOCKET NO.  
05-00044**

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**ORDER APPROVING TRANSFER OF AUTHORITY**

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This matter came before Chairman Pat Miller, Director Deborah Taylor Tate and Director Sara Kyle of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on March 14, 2005 for consideration of the *Petition* of Americatel Corporation, d/b/a 10 123 Americatel and 1010 123 Americatel (“Americatel”) for TRA approval of a transfer of authority to provide telecommunications services in Tennessee.

**Background**

Americatel is a corporation organized under the laws of the State of Delaware, with headquarters in Miami, Florida. By an order dated February 2, 1999 in Docket No. 98-00065, the TRA granted Americatel a certificate of convenience and necessity (“CCN”) as an operator service provider and/or reseller of telecommunications services for statewide service in Tennessee.

## **The Petition**

On February 1, 2005, Americatel filed its *Petition* requesting that the TRA authorize a transfer of Americatel's control. The proposed transfer will occur at the holding company level.

Americatel is a subsidiary of ENTEL International B.V.I. Corporation, which in turn is a wholly owned subsidiary of Empresa Nacional de Telecomunicaciones, S. A. ("ENTEL-Chile"). Currently, Telecom Italia International N.V. ("TII") holds a 54.76% voting interest in ENTEL-Chile. TII has entered into a stock purchase agreement with Almendral, S.A. ("Almendral") through which Almendral will acquire the controlling interest in ENTEL-Chile.

Americatel will continue to be the actual provider of services in Tennessee and direct holder of the CCN. It seeks TRA approval because the transaction will result in a *pro forma* transfer of its CCN. The *Petition* states that the change will be entirely transparent to Americatel's customers. Americatel will continue providing services to its customers under its current rates, terms, and conditions. Americatel will retain its well-qualified management and technical team, and it expects no change in its day-to-day operations.

According to Americatel, the transfer will serve the public interest by permitting Americatel to continue existing operations while providing it access to additional resources, which will allow Americatel to better assess and implement its business strategies. The proposed transaction certainly should cause no harm to the public interest; it will not inconvenience, confuse, or otherwise harm Americatel's customers and should be completely transparent to customers in Tennessee.

## **Statutory Framework**

Americatel submitted its *Petition* pursuant to Tenn. Code Ann. § 65-4-112 (2004) and the rules of the Tennessee Regulatory Authority. Tenn. Code Ann. § 65-4-112(a) (2004) governs TRA approval of mergers or consolidations between two or more public utilities holding CCNs in the State of Tennessee. It provides as follows:

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights, and franchises of any other such public utility of like character shall be valid until approved by the [A]uthority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

The provision is not applicable here. The *pro forma* transfer of Americatel's CCN from TII to Almendral does not involve the lease, merger, or consolidation of property, rights, or franchises between two Tennessee public utilities.

Instead, the transfer at issue in this docket is governed by Tenn. Code Ann. § 65-4-113 (2004). That provision requires a public utility to obtain TRA approval to transfer its CCN. Tenn. Code Ann. § 65-4-113(a) (2004) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

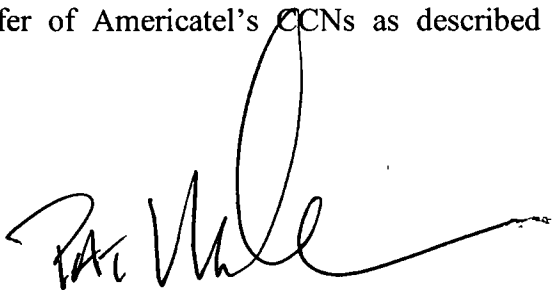

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

**March 14, 2005 Authority Conference**

At the March 14, 2005 Authority Conference, the panel noted the applicability of Tenn. Code Ann. § 65-4-113 (2004) and voted unanimously to approve the *Petition* pursuant to a finding of compliance with the requirements of Tenn. Code Ann. § 65-4-113 (2004).

**IT IS THEREFORE ORDERED THAT:**

1. The *Petition* of Americatel is approved.
2. The proposed *pro forma* transfer of Americatel's CCNs as described in the *Petition* and discussed herein is approved.

  
Pat Miller, Chairman  
Deborah Taylor Tate, Director  
Sara Kyle, Director